



EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

July 11, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: House Bill No. 1083 HD2 SD2 CD1

On July 10, 2007, House Bill No. 1083, entitled "A Bill for an Act Relating to High Technology" became law without my signature, pursuant to Section 16 of Article III of the Constitution of the State of Hawaii.

The bill would appropriate \$5 million in general funds for firms that have already received federal funds through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences.

This bill raises a number of concerns. First, it dedicates a significant portion of State taxpayer dollars (\$5 million) to a small number of private firms, most of which are for-profit ventures. An estimated thirteen companies would be eligible for the money. The bill does not establish any standards, criteria, or oversight procedures to ensure that the funds are used to achieve a clear public purpose. The bill also lacks specific results against which the effectiveness of this use of public funds will be measured.

Second, the organization that would select the firms who receive the funds is comprised of individuals who do not appear to have scientific or engineering background, nor are they individuals with extensive credentials in the fields of technology, engineering, and science. To entrust this group with decisions on the allocation of funds that should be based on merit and technical analysis is not appropriate.

Finally, it appears that the bill fails to meet the requirements of a grant in aid, in that it exempts from the statutory requirements in Chapter 42F, Hawaii Revised Statutes, the funding provided for in this bill, yet section 3 of this measure says that the funds shall be provided as a grant, pursuant to Chapter 42F. This internal inconsistency in the language will make it difficult for the Budget and Finance Department to comply with the language regarding the release of money in this bill.

The Honorable Colleen Hanabusa, President
and Members of the Senate
Page 2

For the foregoing reasons, I allowed House Bill No. 1083 to become law as Act 267,
effective July 10, 2007, without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Lingle", written in a cursive style.

LINDA LINGLE